

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Ocala Surplus Acreage

**3100 Blk of NW 28th St
Ocala, Florida
Appraisal Report
A&A File #2021.083.002.001**

Certified to:

**Mr. Joe Switt, Real Estate Coordinator
City of Ocala
201 SE 3rd Ave, 2nd Floor
Ocala, Florida 34471**

Certified by:

**Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392**

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**Albright & Associates of Ocala, Inc.
4361 SE 6th Ave, Ocala, FL 34480**

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Mr. Joe Switt, Real Estate Coordinator
City of Ocala
201 SE 3rd Ave, 2nd Floor
Ocala, Florida 34471

August 24, 2021

Re: Ocala Surplus Acreage @ 3100 Blk of NW 28th St, Ocala, Florida

Dear Mr. Switt:

Pursuant to your request, an appraisal has been prepared of the above captioned property documented by the enclosed text. The subject property consists of the assemblage of (8) parcels of record totaling approximately 9.37 AC. The site is located along the westerly termination of NW 28th St with additional access, from the south, via the northerly termination of NW 31st Ave. The property is essentially vacant after the recent removal of several former residences and related site improvements.

As a professional discipline, the appraisal practice requires conformance with stringent ethics and standards which are noted, summarized or cited by reference herein. To that end, opinions and conclusions of this report were prepared in conformance with generally accepted appraisal practices and requirements of the *Code of Professional Ethics* and *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Standards Board of the Appraisal Foundation. This assignment includes an **Appraisal Report** format with the following conditions:

Intended User:	City of Ocala c/o Joe Switt
Intended Use:	asset evaluation pertaining to potential sale of the subject property
Effective Valuation Date:	August 21, 2021
Objective/Purpose:	form opinion of market value
Interest Appraised:	fee simple, subject to restrictions of record

The appraisal is limited to valuation of real estate, excluding personalty, furnishings, equipment, inventory and goodwill of the business, if any.

Based on prevailing economic conditions in all aspects to the extent possible, I have formed an opinion of market value of the subject property, predicated on the *Certification, General Assumptions, Extraordinary Assumptions* well as the *Hypothetical Conditions* expressed in this appraisal report, of:

Opinion of Market Value

\$356,000

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Respectfully submitted,

ALBRIGHT & ASSOCIATES of Ocala, Inc.

A handwritten signature in blue ink, appearing to read "SJA", is positioned above a horizontal line.

Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Executive Summary

Subject Identification: Ocala Surplus Acreage @ 3100 Blk NW 28th St, Ocala, Florida

Effective Date: August 21, 2021

Intended User/Use: City of Ocala c/o Joe Switt/asset evaluation

Objective: form opinion of market value

Interest Appraised: fee simple, subject to restrictions of record

Site: 9.37 AC (subject to current survey)

Improvements: none of significance

Future Land Use: medium intensity/special district

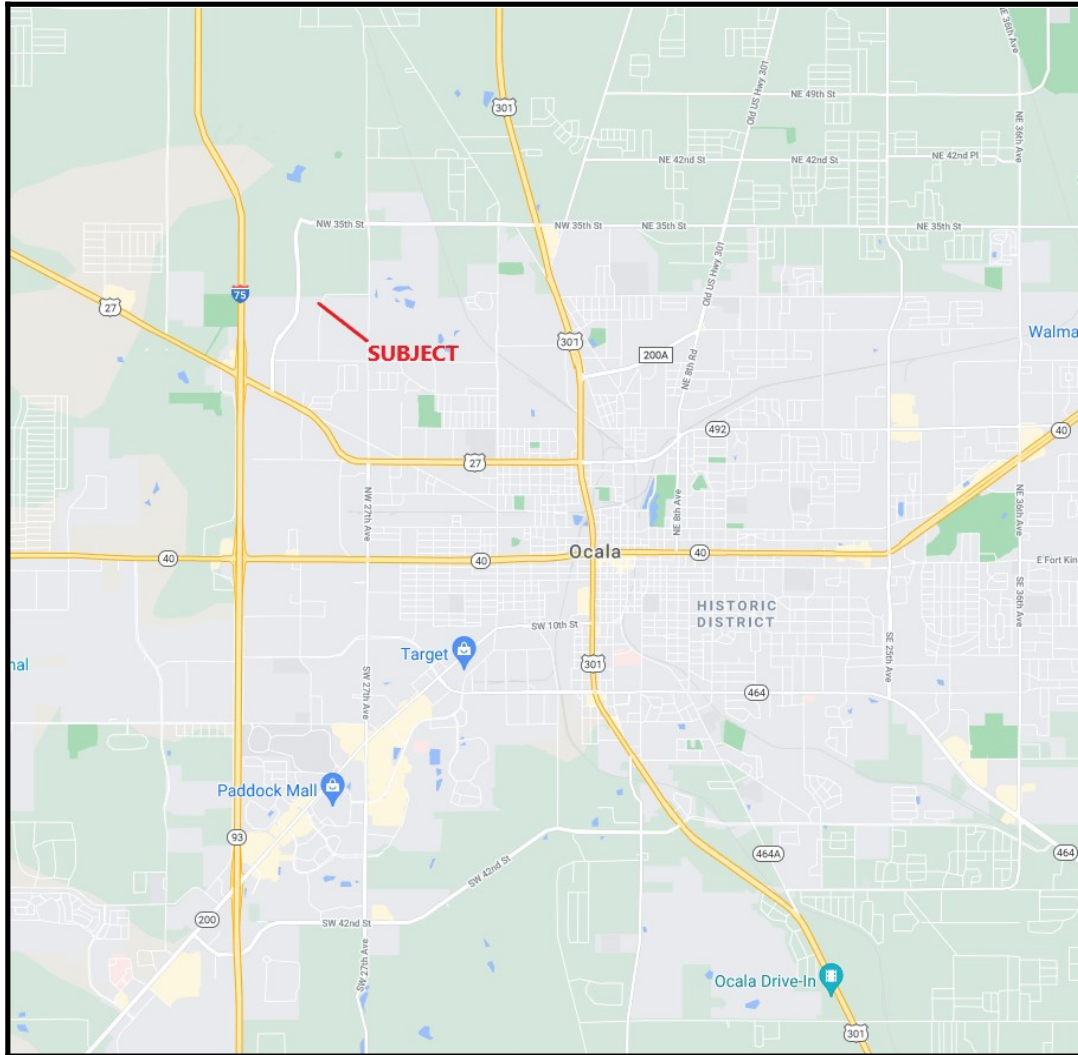
Zoning: R-2, , two family residential (see **Extraordinary Assumptions**)

Highest and Best Use: eventual industrial use, acknowledging the subject's potential limitations as a stand alone parcel

Opinion of Market Value **\$356,000**
[via Sales Comparison Approach]

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Subject Location Map



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View of NW 28th St as it extends W; subject at left in photo (in distance).



View of driveway as it extends S from NW 28th St through the subject site.

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View of sub-surface gas transmission easement as it extends NW through the subject site.



View, facing N, of NW 31st Ave as terminates at S boundary of subject site.

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Certification

The undersigned certifies that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and hypothetical conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent on developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. To the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the ***Code of Professional Ethics*** and the ***Standards of Professional Practice*** of the Appraisal Institute as well as the ***Uniform Standards of Professional Appraisal Practice***.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. An on-site, interior inspection of the subject was made by the undersigned.
10. No person added significant real property appraisal assistance except as specified.
11. ***USPAP*** requires appraisers, prior to accepting assignments, to possess experience and skill necessary for completion, or:
 - A. Disclose lack of knowledge and/or experience before assignment acceptance.
 - B. Take necessary and appropriate steps to complete assignment competently.

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- C. Describe lack of knowledge and/or experience in appraisal report.
- D. Describe steps taken to complete assignment competently in appraisal report.

Stephen J. Albright, Jr. has performed appraisals of properties similar to the subject property in the north central Florida area for more than 27 years.

12. This ***Certification*** was prepared in conformance with the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation as well as the ***Supplemental Standards of Professional Practice*** of the Appraisal Institute.

13. At the date of this report, I, Stephen J. Albright, Jr., have completed the continuing education program for Designated Members of the Appraisal Institute.

14. I have performed no professional services (appraisal or otherwise) regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Liming Conditions & General Assumptions

The following are limiting conditions and general assumptions upon which this appraisal is predicated.

1. This report is the work product of Albright & Associates of Ocala, Inc. and is protected by copyright. Violators will be prosecuted to the fullest extent of the law. No change of any item in the appraisal report shall be made by anyone other than the appraisers who shall have no responsibility for unauthorized changes.
2. Disclosure of the report content is governed by the bylaws and regulations of the Appraisal Institute.
3. The appraiser assumes no responsibility for legal matters affecting the property appraised or its title. While title of the subject property is assumed good and marketable, the appraiser renders no such opinion thereof.
4. The appraiser is not required to give testimony, or to appear in court, as a result of having performed the appraisal of the identified subject property, unless prior arrangements have been made.
5. No party shall use or rely upon this appraisal, or any part of its content (i.e. value opinions, appraiser identity, professional designations, reference to professional appraisal organizations or appraiser's firm affiliation), for any purposes, except the client and/or intended users specifically identified herein. Other parties seeking to use or rely on this appraisal must first obtain the written consent of the appraiser before any of the warranties or representations contained in the appraisal report, expressed or implied, shall inure to the benefit of any other party. Violation of this condition renders these findings null and void. Moreover, this report is to be used only in total presented form and cannot be taken out of context or used in any other form including, but not limited to, excerpts or fractions or redistribution thereof, as such a format change may be misleading. The appraiser assumes no liability for any part of the work product taken in fraction from the total report. Any distribution of value in the report between land and improvements applies only under the existing program of utilization. Separate valuations for land and building, outside the scope of this assignment, must not be used for any purpose and are invalid if so used. Any redistribution of value (land and/or improvements) may render the findings of this appraisal null and void.
6. Information, data and opinions furnished to the appraiser, and contained herein, were obtained from sources considered reliable and are believed to be true and correct. However, no responsibility or liability is assumed by the appraiser for accuracy of confirmed or unconfirmed data. A diligent effort was made to verify all reported data. However, as some principals reside out of the area, or are entities that could not be contacted in the time allowed for report completion, some data may not have been confirmed. The appraiser has made no survey of the property. Any sketch of the land and/or of the improvements herein is intended to show approximate dimensions and to assist the reader in visualizing the subject property. The physical size of the subject property is not warranted

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as fully accurate. This appraisal is contingent on the findings of a qualified survey in terms of not only actual dimensions of the land and/or improvements but also any easements, encroachments or other encumbrances. The findings of such a survey may result in the need for re-evaluation of the appraisal process and value opinions associated therewith.

7. In this appraisal assignment, the existence of potentially hazardous materials or waste on, in or beneath the site (including, but not limited to, such items as urea formaldehyde foam insulation, toxic waste, Radon gas level and/or toxic mold, all of which may pose a risk to the property or its inhabitants) has been disregarded from consideration with respect to valuation analysis. The appraiser is neither qualified to detect such substances nor capable of precisely determining its potential impact on the subject property. Moreover, the appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable or for engineering which might be required to discover such features. Depending on the level of concern as to the property's condition (i.e. potential on- and off-site soil contamination, ground water pollution and various environmentally-sensitive issues), it may be necessary to retain the services of an expert in this field and/or undergo a Phase I environmental audit, if either or both have not been conducted.

8. Value opinions concluded herein are warranted as accurate, subject to assumptions and hypothetical conditions stated or implicit herein as of the effective valuation date. A thorough property inspection has been conducted as of the specified date shown herein. However, the appraiser(s) are not experts in the field of construction, engineering, repair, renovation, remediation or building inspection services, as such, a professional building inspection is always recommended.

9. No responsibility is assumed by the appraiser for changes or influences, in or about the subject property and its neighborhood, which result in a change, positive or negative, to the subject and thereby to its value conclusion, subsequent to the effective inspection and/or valuation date. The value opinions are applicable only to the fixed point in time associated with the effective valuation date herein and are not applicable to any other point in time, specific or general, prior or subsequent to said date. Values expressed herein are opinions. There is no guarantee, written or implied, that the subject property will sell for this value opinion. For example, expressions of market value constitute "value in exchange" which should not be construed as liquidation value in the unforeseen eventuality that a business operation associated with the subject property proves economically unfeasible and/or the property is conveyed by conditions inconsistent with the market value definition. With respect to income-producing properties, value opinions are contingent on competency of ownership and management as the operational success of leasing real estate is inevitably linked with economic achievement of business. When values include prospective opinions, the appraiser is not responsible for unforeseen events that may alter interim market conditions.

10. Before any loans or commitments are made which may be predicated on the value conclusions reported in this appraisal, the mortgagee should verify facts, data and value conclusions contained in this report.

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11. Notwithstanding any specification herein of flood plain status of the subject property appraised, it is recommended additional confirmation of the same be obtained prior to any contemplated loan or development.

12. This appraisal and value findings are contingent on the impact, if any, to the subject property by the "Americans With Disabilities Act."

13. Natural landscaping is a habitat for many living species. A good faith effort should be made to preserve maximum natural landscaping, saving all specimen trees and otherwise complying with all tree ordinances. A reasonable effort should be made to allow natural displacement (trap and release) of all habitat. This valuation is based on the assumption that the property is free from any endangered species and does not require any mitigation associated with natural habitats.

14. It is assumed that the property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.

15. It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.

Extraordinary Assumptions

The following are assumptions upon which this appraisal is predicated. These assumptions are also taken to be true. Their use may have affected the appraisal results.

1. As indicated by the client, the subject is reasonably anticipated to receive a zoning change from R2 to either M1 or M2. To that end, it is an extraordinary assumption of this analysis that such a zoning change is available for the subject property and within a reasonable time frame of six months or less.

Hypothetical Conditions

The following are conditions upon which this appraisal is predicated. That is, these are conditions which are contrary to those which presently exist at the effective valuation date. Their use may have affected the appraisal results.

None.

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Identification and Location

The subject property is generally identified as follows:

Property Identification: Ocala Surplus Acreage
Address: 3100 Blk of NW 28th St, Ocala, Florida

Apparent Owner of Record

The following information from another source is believed reliable though not warranted as such.

Name: City of Ocala
Address: 1805 NE 30th Ave, Bldg 300, Ocala, Florida

Relevant Dates of Appraisal Process

The following represent the most critical dates of analysis of the appraisal process.

Inspection/Photography: August 21, 2021
Effective Valuation: August 21, 2021
Date of Report: August 24, 2021

Type and Definition of Value

The purpose of the appraisal is to form an opinion of market value.¹

Intended User and Intended Use of Appraisal

The specifically designed and intended use of this appraisal is to aid in asset evaluation pertaining to the potential sale of the subject property. Use of this appraisal is prohibited as it relates to any function other than that identified herein. The intended user of this appraisal is the City of Ocala c/o Joe Switt (who also happens to represent the client).

¹ Market value (value-in-exchange) is defined by Office of the Comptroller of the Currency (12CFR, Part 34) and the Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*) as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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Scope of Work

USPAP specifically indicates that “for each appraisal and appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results;
3. Disclose the scope of work in the report.”

To that end, Mr. Joe Switt of the City of Ocala, requested an appraisal of the property identified herein for the intended use described earlier. As such, the problem to be solved for this assignment is to form an opinion of market value of the fee simple interest of the subject property. To that end, the necessary scope of work to develop a credible result includes the following.

- Identify a current effective date of valuation (associated with my most recent on-site inspection on August 21, 2021).
- Review information from the public records as well as other data available from the owner.
- Physically inspect and photograph the subject property.
- Research the subject's environment (i.e. region and neighborhood).
- Analyze highest and best use of subject property.
- As discussed in the Valuation Methodology section of this report, the only meaningful approach to value for the subject property (essentially vacant acreage) is the Sales Comparison Approach. To that end, the subject neighborhood was researched for comparable sales which were all inspected and verified to the extent possible.
- Form opinions of market value from market indicators.
- Prepare an appraisal report, as defined in USPAP, which will include photos of the subject property, summary descriptions and analysis of the region, neighborhood, site, zoning/land use, a highest and best use analysis, presentation of most relevant market data, reconciliation of opinions of market value, location maps of the subject and comparable sales data and other data deemed by the appraiser to be relevant to the assignment.

Interest Appraised

Fee simple interest,² subject to restrictions of record.

² Absolute ownership unencumbered by other interest and subject to limitations of eminent domain, escheat, police power and taxes.

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Legal Description

The reader is referred to the **Addendum** for a legal description of subject property (obtained from the public records of Marion County, Florida). While believed accurate, this legal description is not warranted.

Property Assessment

The subject is included in the 2020 Marion County Property Assessment Roll as the following parcels of record. The chart below summarizes the 2020 assessment of the subject parcels.

PID#	Land	Building	Misc Impr	Just	Assessed	Exemption	Taxable	Tax Burden
21454-002-00	\$15,470	\$0	\$0	\$15,470	\$15,470	\$15,470	\$0	\$0
21454-001-01	\$14,875	\$0	\$0	\$14,875	\$14,875	\$14,875	\$0	\$0
21454-000-00	\$21,505	\$0	\$0	\$21,505	\$21,505	\$21,505	\$0	\$0
21454-003-00	\$4,335	\$0	\$0	\$4,335	\$4,335	\$4,335	\$0	\$0
21456-000-00	\$6,630	\$0	\$0	\$6,630	\$6,630	\$6,630	\$0	\$0
21452-000-00	\$8,075	\$0	\$0	\$8,075	\$8,075	\$8,075	\$0	\$0
21451-001-00	\$4,335	\$0	\$0	\$4,335	\$4,335	\$4,335	\$0	\$0
21451-000-00	\$4,335	\$0	\$0	\$4,335	\$4,335	\$4,335	\$0	\$0
Total:	\$79,560	\$0	\$0	\$79,560	\$79,560	\$79,560	\$0	\$0

History of Title

The subject property has been within the reported ownership for more than the past five years. As of the date of valuation, the subject property was vacant and not formally offered for sale.

Public and Private Utilities and Services

The subject is positioned within the city limits of Ocala. While central water service is available to the subject property, central sewer services would require extension to the subject's immediate area from nearby existing locations to the southeast or the southwest. Electricity and telephone services are available.

Comprehensive Plan, Land Use and Zoning

The subject is positioned in, and governed by the jurisdiction and comprehensive plan of, the City of Ocala. The land use designation is medium intensity/special district and zoning designation of R-2, two family residential.

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Description and Analysis of Region

Marion County is located in north-central Florida, about 75 miles west of the Atlantic Ocean and 40 miles east of the Gulf of Mexico. Ocala is located in the geographic central portion of Marion County. The nearest significant metropolitan areas include The Villages (about 20 miles south), Gainesville (about 35 miles north), Daytona Beach (about 75 miles east), Orlando (about 75 miles south), Tampa ("Bay area" about 95 miles southwest) and Jacksonville (100 miles northeast). Ocala is positioned at a key focal point of rural north-central Florida as it represents a major retail trade and employment center for a five-county area.

The four basic forces which influence market value of real property include economic, environmental, governmental and sociological forces. Each of these forces as it applies to the Marion County market will be reviewed in consideration of their impact upon the value of the subject property as more fully discussed within the following subsections of this appraisal report.

Economic Forces

The Marion County real estate market is influenced by many aspects of local, state, and national economic forces. Several leading indicators include: general population, effective buying income, retail sales, manufacturing sales, building permits as well as employment and unemployment conditions.

Population Growth: Of Florida counties, Marion County has historically benefitted from a very high ranking in terms of population growth. Per the Bureau of Economic and Business Research (BEBR), the April of 2010 population of Marion County was 331,303 (up about 28.0% from 2000) while the 2017 population on April 1 was reported to be 349,267. This represents a 5.42% increase or about .77 % per year. This evidences the significant decrease in population growth rates since the beginning of the recent Great Recession. BEBR has projected a population of 364,200 (central tendency) by the year 2020 which indicates an anticipated increase in the population growth rate to about 1.5% per year. Further, BEBR projects central tendency increases of 386,100 by 2025, 404,900 by 2030 and 423,000 by 2035 (projection of about 1% per year growth).

Ocala is the largest incorporated area of Marion County with a 2017 urban area population estimated at 59,668 (up from 56,315 in 2010 or increase of about .85% per year which is similar to the overall county growth rate over the same time period). Notwithstanding the decrease in population growth rates, Marion County and Ocala should eventually continue to expand at a solid pace into the foreseeable future as a result of several factors: (1) Marion County is the "hub" of north central Florida; (2) surrounding counties are less capable of providing a full range of retail and wholesale products and services and, with it, greater demand is placed upon drawing employees from surrounding rural counties to service operations; (3) steady immigration of retirees; and (4) low cost of living. Property values are relatively affordable when compared to coastline communities and major inland metropolitan cities. Ocala provides one of the most affordable lifestyles of Florida

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living for the entire state.

Housing: In 2014, the total number of households was estimated at 141,164 (up from 137,726 in 2010) of which 75.9% are owner-occupied. Meanwhile, in 2014, the number of housing units was 163,808 which evidences an occupancy rate of about 86%. According to the National Association of Realtors, the Ocala MSA had the most affordable housing of all MSAs in the nation during the second quarter of 2000. The average sales price in 2000 was \$94,052 and as of August 2005 was \$148,900 which evidences the substantial increase of real estate prices over the first half the decade. Although Marion County experienced such increases, the area remained substantially below the state average of \$246,500 in August of 2005. Subsequent to the substantial surges in the residential market in Ocala/Marion County (and state and nation for that matter), the market experienced a considerable downturn beginning in 2007. In fact, up until about 2012, the market was best characterized as a “buyer’s market” with a large inventory of lots and homes for sale (including a significant percentage represented by speculator properties) although down from the supply levels of 2009 and 2010. Not only were listing prices from 2005/2006 substantially reduced, but exposure and marketing times significantly increased. The rate of foreclosures and short sales also increased dramatically in the state and county beginning in about 2008/2009. More recently, per the Ocala/Marion County Association of Realtors 2019 market report, the median single family home price in Marion County has steadily climbed from only \$90,000 in 2012 to \$183,389 in 2019. The 2019 price represents an 11.1% increase from the 2018 median price. The report also indicates that there were 7,370 closed sales which is dramatically up from only 4,292 sales in 2012. The average days on market in 2019 was only 52 days which remains fairly constant from 2017 but much better than the 96 average days in 2012. Further, the median sales price in 2019 represents about 97% of the original listing price which evidences a strong market. In summary, the Ocala/Marion County market has turned in favor of the sellers. In fact, new construction is occurring in many areas of the Ocala market and Ocala/Marion County retains one of the lowest median home prices in Florida.

Effective Buying Income: The majority of population growth for upcoming years will emphasize a greater increase in the percentage of retirees. Local governmental officials have expressed concern regarding the inability of the Marion County market to attract high-tech industries which provide greater population expansion of professional employees (and accompanying higher income levels). However, the expanding elderly population will continue to support retail and wholesale operations. Historically, residents of Marion County have enjoyed a relatively low cost of living (only 87.9% versus the U.S. as a whole in 2018). However, increases in wages as a whole across Marion County have not kept pace with the substantial increases in real estate prices which could have a significantly negative impact the future prospects of “affordability” of the Marion County area.

Retail Sales: In 2000, annual retail sales for Marion County were reported at over \$3.2 billion. Retail sales per household in the Marion County market have typically matched effective buying income. Obviously, a percentage of retail consumers who patronize Marion County establishments are commuting from outside areas thus contributing to the “hub” effect. The following summarizes

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total retail sales in Marion County from 2000 to 2017 (provided by the 2011 Florida Statistical Abstract, Bureau of Economic and Business Research and the State of Florida Department of Revenue).

[Retail Sales - Marion County, Florida]

Year	Gross Sales (Billions)	Taxable Sales (Billions)
2000	\$6.80	\$2.95
2001	\$7.04	\$3.04
2002	\$7.03	\$3.08
2003	\$7.50	\$3.37
2004	\$8.40	\$3.68
2005	\$9.55	\$4.32
2006	\$10.45	\$4.70
2007	\$9.85	\$4.30
2008	\$8.61	\$3.73
2009	\$7.54	\$3.31
2010	\$7.63	\$3.31
2011	\$7.98	\$3.39
2012	\$8.55	\$3.60
2013	\$9.12	\$4.02
2014	\$9.60	\$4.20
2015	\$10.27	\$4.37
2016	\$10.75	\$4.63
2017	\$11.13	\$4.83

The chart reflects the surge in economic conditions up to 2006 with a subsequent decline in retail sales from 2007 to 2010. Subsequently, economic conditions have stabilized and, in fact, improved significantly at least in terms of gross retail sales have just surpassed pre-recession levels.

Manufacturing & Distribution: The EDC has registered a significant amount of local industrial oriented businesses in Marion County. The EDC recently combined forces with the local Chamber of Commerce with stepped up efforts to retain and create more jobs in the Ocala/Marion County market. These companies do not include the numerous contractors and subcontractors of the building trade. Retention of manufacturing jobs became quite a challenge into 2008 as a result of declining economic conditions. Major manufacturing companies based in Ocala/Marion County include Lockheed Martin, Emergency One, Inc., Cheney Brothers, Signature Brands and ClosetMaid. Major distribution centers in the market include Fed Ex, Chewy's and Autozone (all located in the relatively new Ocala/Marion County Commerce Center).

Building Permit Activity: It appears that the rate of new residential permits in Marion County peaked in 2006 amidst the housing boom and glut of speculation through the county. More specifically, Marion County issued 6,355 single family residential permits in fiscal year 2005/2006 which was up from 5,645 permits in fiscal year 2004/2005. However, there was a dramatic decline

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in subsequent years: 2,139 permits in 2007, 933 permits in 2008, 316 permits in 2009, 399 permits issued in 2010 and 325 permits issued in 2011. In regard to commercial starts, Marion County issued 122 commercial starts in fiscal year 2005/2006. However, Marion County issued only 71 commercial permits in 2007, 44 in 2008, 42 in 2009, 23 in 2010 and 30 in 2011. Finally, multi-family residential permits have also declined from 52 in 2007, to 12 in 2008, 10 in 2009, none in 2010 and only 2 in 2011. More recently, however, activity is improving significantly as summarized in the following chart (in mid-2018, Marion County began combining multi-family and commercial starts):

[Marion County Building Permits]

	2012	2013	2014	2015	2016	2017	2018	2019
Single Family	359	497	608	921	1,285	1,667	2,459	2,350
Multi-Family	1	3	8	0	3	11	NA	NA
Commercial	27	32	19	30	43	138	100	61
Total	387	532	635	951	1,331	1,816	2,559	2,411

This rather clearly evidences that the Marion County market is rebounding significantly in terms of permits with single family residential and commercial leading the way but also considerable growth in terms of multi-family starts.

Employment/Unemployment: As per information from the United States Bureau of Labor Statistics, the Marion County labor force increased from 126,821 in 2005 to 135,972 in 2009. In fact, the labor force appears to have significantly increased during the market surge of 2006/2007 with an actual decline in the work force in 2009 from 2008. This rather dramatic decrease is associated with the downturn in the economy and sharp rise in unemployment. To that end, the following chart summarizes unemployment rates in the State of Florida and Marion County from 2003 to 2019 as provided by the State of Florida Agency for Workforce Innovation (AWI) and the Florida Department for Economic Opportunity (DEO).

[Unemployment Rates 2003-2020]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Florida	5.3%	4.7%	3.8%	3.4%	4.1%	6.3%	10.5%	11.9%	10.5%	8.7%	7.2%	6.1%	5.4%	4.9%	4.2%	3.6%	2.5%	7.7%
Marion Co	5.4%	4.6%	3.7%	3.4%	4.5%	7.8%	12.9%	14.4%	12.3%	10.0%	8.3%	7.2%	6.4%	5.8%	5.0%	4.3%	3.2%	7.0%

Unemployment for Marion County has improved steadily from the peak in about 2010 down to the rate of 3.2% as of 2019. Although certainly improving steadily, Marion County has consistently remained above the state-wide unemployment rate. Of course, the onset of the COVID-19 crisis resulted in a surge in the unemployment rate due to government-mandated “shut down” of many businesses. In that regard, unemployment for Marion County peaked in April of 2020 at almost 13%. As indicated above, however, the unemployment rate rebounded significantly through the

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balance of 2020 with an annual average of 7%. Further, employment has continued to stabilize into 2021.

Information from the Ocala Marion CEP indicates the top 10 private employers in Marion County are Munroe Regional Medical Center (2,648), Wal-Mart (2,370), Ocala Health (2,166), Publix (1,488), AT&T (1,000), Lockheed Martin (1,200), E-One, Inc. (915), Sitel (700), Cheney Brothers (650) and Custom Window Systems (650). The top 7 public employers in the county include Marion County Public Schools (6,650), State of Florida (2,600), Marion County (1,368), City of Ocala (989), US Government (700), Marion County Sheriff's Department (750) and the College of Central Florida (450).

Environmental Forces

As previously identified, Marion County is located at the center of the north half of the peninsula of the State of Florida. Marion County encompasses approximately 1,624 square miles, making it the fifth largest county in the State of Florida. Unlike many of the coastal regions and southern inland areas of the state, Marion County is aesthetically enhanced by undulating elevations consisting primarily of rolling hills which range from 50' to over 200' above mean sea level. The county's landscape includes numerous lakes, streams, rivers and springs which provide an atmosphere considered unique to much of the State of Florida. Marion County benefits as a major recharge area of the Florida aquifer. Its mild seasonal weather, as typical for the "Sunshine State," enhances the unique terrain of Marion County, commonly referred to as the "Kingdom of the Sun."

Climate: Perhaps the leading consideration for residents immigrating to this area is the favorable mild climate of its seasons (mild winter weather typical of spring and fall climates of other areas of the country). Ocala boasts an average maximum temperature of 82° and average minimum temperature of 61° while the mean humidity is 70.1°. The average rainfall for the year is about 55"± while only 108 days of the calendar year included rainfall of more than 1/100th of an inch. The favorable climate of Marion County generally offers savings in the construction industry due to year round availability of working days. In the agricultural industry, Marion County provides an average annual growing season of 255 days which well exceeds the national average. Its favorable climate also reduces absenteeism with all industries of the subject market. Also, outdoor recreation is available on a year-round basis as a result of Marion County's mild climate. The mild climactic weather of Marion County most importantly provides the market demand to draw a major influx of seasonal residents a high percentage of which eventually become permanent residents. The steadily expanding population of the local market has a direct impact upon the increased labor force and the availability of low-priced labor to service industrial operations. As well, the seasonal and permanent residents impact the need for additional retail services in the area, forcing retail and wholesale sectors of Marion County into the lead in per capita employment and annual payroll.

Road Network: From a geographical standpoint, Marion County provides an ideal location for a

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distribution center of north Florida/south Georgia. More specifically, wholesale distributors demand proximity to major market areas which allow their drivers to complete a round trip within one working day. Because Marion County is located geographically at the center of the north Florida peninsula, this community benefits from a major network of state and federal highways. The road network system provides one day round trip to the major metropolitan markets identified earlier and even as far north as Atlanta (375 miles) and as far south as Miami (295 miles). All of these major metropolitan areas are accessed by either federal or interstate highways from the Ocala market. The major road systems of Marion County include I-75, US Hwys 27, 301, and 441 and state highways 40, 200, 464 and 484. I-75 extends north and south through Marion County along the western boundary of the city limits of Ocala. This major roadway extends through the eastern portion of the U. S., connecting Ocala with virtually every major city in the eastern United States via other intersecting interstate highways. I-75 extends south connecting with the Florida Turnpike (approximately 35 miles south of Ocala). The Florida Turnpike originates just south of the intersection of I-75 and SR 44 (near Wildwood), routing in a southeasterly direction connecting north Florida with the major metropolitan areas of Orlando, West Palm Beach, Ft. Lauderdale and Miami. US Hwys 27, 301 and 441 share access as they extend north and south through the center of Ocala as a six-lane highway. These major road systems provide direct access from Ocala to Jacksonville, Tallahassee, Orlando and Gainesville as well as many other central and north Florida destinations. Florida Turnpike officials are also proposing to extend the turnpike northwesterly, beyond I-75, through southwest Marion County and eventually connecting with US Hwy 19 at Lebanon Junction in Levy County just west of Marion County. State governmental officials recognize Ocala as a rapidly growing north-central Florida community. Efforts will be directed toward providing continued improvement of intrastate access for the north half of the peninsula of Florida. Ocala will continue to benefit from future FDOT road network projects as it geographically represents the central crossing point of many proposed major highways. Recognizing existing and future highway development plans, Marion County will continue to grow and establish a market for commercial and industrial distribution.

Air Service: Regarding air service, the Marion County market is relatively limited with only the Ocala Municipal Airport (located about two miles west of I-75 along the south side of SR 40) and the Dunnellon Airport (located in southwest Marion County). At present, these smaller airport facilities offer daily commuter flights to other central Florida cities. However, these airports are not presently utilized to service regional oriented carriers. It is noted that long term planning officials of Ocala and Gainesville have attempted to negotiate for eventual development of an international airport to service the Marion and Alachua County markets. At the present time, the Gainesville authorities do not appear to be enthusiastic as that community has invested significant dollars in providing a major regional airport on the northeast fringe of its city.

Governmental Forces

Municipal Utilities: The City of Ocala owns and operates its utility distribution system which

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includes electrical, water, sewer, stormwater, fiber network and garbage collection services. The city purchases electricity wholesale from Duke Energy and distributes to an area of approximately 200 square miles. The City of Ocala also provides central water and sanitary sewer services to virtually all areas contained within its city limits. The most recent sewer facility was constructed adjacent west of the airport facility. Several private utility companies service small areas of the city which are not as densely developed. Central water and sewer services are also available in the City of Belleview. Additionally, Marion County provides central water and sewer service in several unincorporated areas of the county (i.e. S US Hwy 441, SR 200, US Hwy 27 and SR 484) while most rural areas typically require water and sewer service to be provided by on-site means.

Transportation: Within Marion County, only the City of Ocala offers mass transit for public use. This transit system is referred to SunTran and was established in 1998. SunTran consists of a public bus system which services the City of Ocala as well as Silver Springs Shores. SunTran follows several brief attempts with a trolley system which were unsuccessful. In addition, all major passenger bus lines service the Ocala market. In regard to trucking services, Marion County includes a proportionate share of common carriers and terminal facilities. The Ocala Airport Commerce Center, the Ocala International Commerce Park, Meadowbrook Commerce Park (all located west of I-75 near SR 40) and Ocala/Marion County Commerce Center include numerous national oriented trucking terminals. The major railway freight system for Ocala is CSX Transportation (formerly Seaboard System Lines).

Taxes: The City of Ocala and Marion County enjoy favorable tax structures. Additionally, the State of Florida does not have a personal income tax. As local governmental services are financed in part by taxes paid by tourists, the local millage rates have sustained a relatively low level, and below the state average for many years. The favorable tax structure represents a significant lure to numerous businesses to the Marion County area. Industrial operators are particularly attracted by the low tax structure and affordable employment force of Marion County. While the current tax structure has appeared relatively favorable, the increasing population has placed demands upon the services provided by the city and county government. There have been increasing problems associated with road maintenance, garbage collection, police and fire protection and other vital public services to the area due to increasing population expansion with a disproportionate increase in property tax revenue. More specifically, many retirement housing communities provide residential units assessed for little more than the \$25,000 homestead exemption resulting in thousands of these retirees paying little taxes. As such, the fast-growing retiree population of Marion County is not supporting their proportionate share of property taxes in accordance with their demand for public services. As an alternative, Marion County approved a four-year, \$.01 sales tax to support police, fire and transportation systems.

Education: As of 2016, Marion County included 49 public school facilities (elementary, middle and high schools). In addition, there are three charter schools, virtual education and a variety of additional facilities associated with the public school system. Several additional facilities are planned

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for construction in the future to serve the increased population which has placed a stress on existing facilities with temporary solutions provided by modular classroom units. There is also a significant level of private school facilities located within Marion County providing education for grades K-12. In regard to higher education, Ocala is the location for The College of Central Florida. The college is continuing to grow in enrollment population. Most of the students of The College of Central Florida are from the immediate five-county area, of which Ocala is the major retail and employment trade center. The college was just ranked 5th by Schools.com in the State of Florida among all community colleges in the state. Marion County also benefits from multiple public libraries throughout the county.

Medical Community: Marion County includes three primary hospitals: Munroe Regional Medical Center (MRMC) which is publicly owned but was leased to a private entity in 2014; Ocala Regional Medical Center (ORMC) and West Marion Community Hospital (which are privately owned). MRMC includes various satellite facilities across the county. As of early 2018, all three of these facilities are undergoing expansions with costs totaling more than \$100 million dollars. Other health facilities in Marion County include numerous family practices, assisted living facilities (ALFs), skilled nursing facilities, adult family care providers, adult day care facilities, independent residential communities and Hospice. In general, Ocala and Marion County includes an adequate supply of general and specialized medical care providers (physicians) which essentially meets the demand of the ever-expanding population centered on an intense retirement base.

Sociological Forces

Perhaps the most significant sociological force which has historically impacted Ocala/Marion County has been the increase in population. Notwithstanding the adverse impact of the recent recession over the past several years, Ocala has historically ranked high in the state in population growth.

Recreation: Another leading sociological factor influencing the subject market is the recreational benefits available to the residents. The Ocala National Forest consumes much of east Marion County, encompassing 900 square miles. Marion County includes over twenty golf courses, both private and public. The City of Ocala and Marion County maintains numerous public parks or other forms of recreational facilities. The Cross Florida Greenway and related Santos Trail Head represent major recreational attractions for the county. Cultural attractions include the Ocala Civic Theatre, the Reilly Arts Center and the Appleton Cultural Museum. Natural water attractions include Silver Springs, Juniper Springs, Orange Springs and Rainbow Springs. Silver Springs and Rainbow Springs are two of the largest natural springs of the world, both in physical size and daily flow of water production capacity. Other area attractions include Don Garlits Museum of Drag Racing, Marjorie Kinnan Rawlings house and Silver Springs. Marion County also provides numerous lakes and rivers for outdoor recreation, including boating, fishing, skiing, swimming, and sailing. Orange Lake is one of the most popular bass fishing lakes in the state. Lake Weir, Little Lake Weir and Lake Kerr provide regional recreational interest for boating, skiing, swimming and sailing. As well, the

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location of Marion County, about midpoint between the Atlantic Ocean and the Gulf of Mexico, provides proximity to additional recreational benefits for the area residents. The Ocala National Forest is an extremely popular natural recreation facility which offers approximately 366,000 acres of woodlands, lakes, streams and natural springs. Silver Springs attraction represented a major tourist attraction for Marion County. Historically, this natural phenomenon attracted a considerable amount of tourists and was once considered the leading attraction in the tourism industry for all of north-central Florida. However, due to competition from newer theme parks in the Central Florida region, the park experienced economic struggles. As such, the State of Florida took back control of the property from a private management company and now operates the park. Available activities include kayaking, canoeing, glass bottom boat tours, concerts, special events and concessions. Also, Walt Disney World and surrounding tourist attractions of the Orlando market are located just 75 miles southeast of Ocala.

Horse Farm Industry/Terrain: A major drawing card for the Marion County market is its aesthetically pleasing rolling terrain which is attractively landscaped with numerous small lakes and ponds with hammocks of mature oaks and assorted hardwoods. This pleasing landscape, often with pockets of extremely fertile soil which is high in calcium (particularly soil type number #8), provides all of the physical characteristics which support Marion County as the premier horse farm market for the entire State of Florida. Marion County is the nation's largest horse farm market and, as a leading indicator of the successfulness of the local horse farm industry, Marion County is the home of triple crown winner Affirmed in 1978 as well as Carry Back who won both the Kentucky Derby and Preakness in 1961 along with other notables such as Needles and Silver Charm, both Kentucky Derby winners. The last Florida-bred horse to win the Kentucky Derby was Silver Charm in 1997. In addition, many contenders and champions in the triple crown races have trained, and continue to train, at Marion County farms.

The horse farm industry (in terms of its breeding, training and racing) holds at least a twofold purpose: an economic value for the agricultural utility of the land, as well as a recreational opportunity for area residents. A stable force and influence in the economic development of this area's horse industry is the Ocala Breeders Sales which includes ownership by co-op memberships. The facility is open to the public which provides the life-blood support for the business. The total property covers an estimated 221 AC and is extensively developed including storage stables and auditorium for periodic sales, a first class race track with viewing tower and stands along with a new entertainment center which houses the parimutuel wagering facility.

The thoroughbred horse farm industry has enjoyed a long-standing and successful presence in the Ocala/Marion County market for many decades. The tax reforms of 1986 had a substantial negative impact upon horse farm development which were felt for a significant time thereafter. There was resurgence of horse farm success into the late 1990s with the Ocala/Marion County area claiming a stake as the "horse capital of the world" with the Kentucky market as the most relevant rival. However, discussions with many active participants in the local horse industry has revealed that the

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balance has tipped in favor of Kentucky and other markets in terms of demand for horse farms (breeding operations in particular). More specifically, several sources verified that stud fees in the Kentucky market are easily three times that of the Ocala (Florida) market. Further, stallions enjoy booking rates substantially higher than in the local market. Another reported factor in the demand shift from the Ocala market to other locations is the existence of slot machines at racing facilities. Markets such as New York and Pennsylvania reportedly include higher purses as result of the additional gaming income and entry into the races is often reserved for horses bred in-state. In fact, many breeders have chosen to relocate their operations. Despite this shift in demand for larger breeding operations, smaller thoroughbred farms (winter training facilities in particular) retain some level of demand in the Marion/Levy County market as a result of the favorable climate.

The impact of the horse farm industry in Marion County was quantified through a study performed in 2014 through a partnership of the Ocala/Marion County Chamber & Economic Partnership and the Horse Shows in the Sun organization. This study, based on 2014 data, revealed \$2.62 billion in revenues, \$1.68 billion in value-added contribution to the community's GDP and 19,209 full- and part-time employees associated with the industry. Clearly, the impact of this industry to the Ocala/Marion County area is major.

The impact of the national recession along with the changing economics of the horse racing industry have had a significant impact upon the horse farm market of Marion County. The resulting over-supply of available developed thoroughbred horse farm facilities during the economic downturn resulted in drastic reductions in land and improved farm values from 2008 through 2012. While the market has certainly stabilized, and in fact improved significantly into 2020, there remains somewhat limited demand for additional thoroughbred farm development, particularly large breeding and/or training facilities. Per information from the 2020 Florida Fact Book published by the Ocala Jockey Club, the North American foal crop dropped dramatically from about 38,365 in 2005 to 22,175 in 2017 and estimated crop for 2019 of only 20,800. Further, the Florida foal crop was down from 4,499 in 2005, 2,105 in 2016 and only 1,401 in 2019. In that regard, Florida has consistently produced just under 10% of the national crop over the past decade but that figure has dropped to less than 7% for 2019. The source also indicates that gross sales associated with auction sales in the state have decreased for weanlings, yearlings and 2-year olds over that past two decades. For example, gross sales for 2-year olds has declined from \$58,314,500 in 2006 to \$19,494,300 in 2017, \$25,512,400 in 2018 and back down to \$19,666,500 in 2019. That being said, the average price has remained fairly steady over the past decade. In summary, the market for thoroughbred farms (particularly training/breeding facilities) has experienced significant decline over the past 10-15 years.

While the market for thoroughbred farms has declined to some degree, Marion County benefits from significant demand and impact from additional equine disciplines. Probably the most significant discipline other than thoroughbred racing includes the hunter/jumper community. Horses In The Sun Showground (HITS) is located in northwest Marion County along US Hwy 27 (well to the southwest of the subject's immediate area). While Ocala Breeders Sales (OBS) provides a facility for sales of

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local horses to potentially buyers from literally all over the world (located to the southeast of the subject's immediate area adjacent to the Ocala International Airport), HITS hosts an annual winter hunter/jumper horse show which also attracts international competitors.

Also related to this discipline, the owner of Golden Ocala Golf & Equestrian Club is in the process of constructing the World Equestrian Center along SW NW 80th Ave between SR 40 and US Hwy 27 (also well to the southwest of the subject neighborhood). Per information from the owner's website, "The World Equestrian Center currently inhabits 378 acres, with 300 more acres in reserve for more building. The World Equestrian Center is a world-class multi indoor and outdoor arena facility with state of the art amenities that can accommodate numerous different disciplines within the Equine Industry. This state-of-the-art Ocala, Florida Equestrian Center is designed to offer the ultimate competition experience for both horse and rider. As a professionally operated, family-owned enterprise, the World Equestrian Center illustrates the passion and commitment to equestrian sports in the United States. World Equestrian Center is a true destination. The event grounds will feature a luxurious six-story, 5-star hotel, located at the heart of the equestrian resort. The brand-new hotel will feature 254 extra large suites, some equipped with balconies where guests can take in world-class equestrian events in luxury and comfort. The hotel will also feature retail space, where guests and visitors will find a high-end boutique experience just minutes from the competition rings and barns. With a selection of carefully curated vendors, you'll be able to browse everything from clothing to tack to jewelry to fine art. You'll be able to find anything you might need or want to make your stay at the World Equestrian Center memorable. On-site dining options will include several sit-down restaurants, including a fine dining restaurant with seating for 500 guests. World Equestrian Center and World Equestrian Estates will feature approximately 1.5 million square feet of riding space. The grounds will be manicured with mature trees and hundreds of thousands of flowers. On-site greenhouses will keep the flowers blooming year round. Visitors and competitors alike will find a park-like atmosphere around the grand prix area and throughout the grounds. Paver sidewalks and a tree-lined entrance enhance the park-like feel at World Equestrian Center." This equestrian center is already having a major positive economic impact upon all of Marion County. Further, there has been a significant level of speculation in the real estate near and surrounding this proposed facility.

Because of these influences, Marion County will likely continue to establish itself as a leader in the horse farm industry. The sociological influences of the Marion County market establish this area as a unique inland community of the State of Florida. Major industrial employers have recognized the aesthetic value that the Marion County area has to offer for their employees. The annual economic impact to Marion County from the equine industry is significant.

Comprehensive Plan and Concurrency: In 1985, the legislature of the State of Florida enacted the "Local Government Planning and Land Development Regulation Act" with its major scope expressed as: "public facilities and services needed to support development will be available concurrent with the impacts of such development." The legislation, which became known as "concur-

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rency," has forced local government to implement major planning tasks pertaining to growth and development of necessary infrastructures required for future population increases. The comprehensive plan of local government is intended to meet the needs of the local population as well as satisfy State-mandated guidelines for control of growth. The comprehensive plan presents guidelines which impact real estate use and value. In order to change the land use or zoning of a property, there are certain criteria which must be met. Land use and zoning are not interchangeable terms. To change zoning, the proposal must be compatible with the land use classification of the property. A physically compatible property that is proposed for change to a zoning in which it is otherwise disallowed requires an amendment to the land use plan within the comprehensive plan (both the City of Ocala and Marion County each have independent plans). In that regard, as a result of new legislation in 2011, state government was reorganized and the Department of Economic Opportunity (DEO) was created. Within this arm of the state government, the Division of Community Planning specifically considers applications for land use amendments. Further, the state and regional agencies interest only comment if the proposed change affects state or regional interests (essentially transferring more authority to local government in terms of the land use amendment process).

Summary of Regional Data

The impact of the expanding population of Marion County has represented a leading force in the prosperity of this community. The increase in population has generally led to increased demand for services in all segments of the economy. Market conditions and the economy in the subject region have not only stabilized but improved significantly subsequent to the economic downturn and ensuing national recession. In the final analysis, barring any further extended economic recession, the local real estate market should benefit from long-term growth.

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Description and Analysis of Neighborhood

Neighborhood is defined as "...a group of complementary land uses."³ The physical neighborhood may be the same as, or different from, the economic neighborhood. The physical boundaries of a defined neighborhood essentially perimeter that land area which confines homogeneous land use. The economic neighborhood is the area which identifies the marketing district of comparable uses and is considered the more general area of influence with which the subject must compete in terms of sale prices, rental rates and employment opportunities. The economic neighborhood boundaries may not be represented by tangible limits to the same extent as the physical neighborhood. It is most ideal when the physical and economic neighborhoods overlap one another and are essentially the same. Comparables are extracted from both neighborhoods for direct comparison with the subject.

Geographic Boundaries:

N= NW 35th St
E= NW 16th Ave (Martin Luther King Blvd)
S= US Hwy 27
W= I-75

Economic Boundaries:

competing locations of fringe-Ocala

Subject's Positioning:

generally central in regard to geographic neighborhood average⁴

Proximity to Conveniences:

Major Thoroughfares:

I-75 located at W boundary of subject neighborhood and is major N/S route thru Ocala, Marion County, State of Florida and eastern seaboard of US; US Hwy 301/441 located to the E of the defined geographic neighborhood and is major N/S route thru Ocala, Marion County, State of Florida and eastern seaboard of US; US Hwy 27 represents S boundary of neighborhood and represents major route thru Ocala/Marion County; NW 35th St extends E/W at N boundary of neighborhood and recently expanded to four lanes from NW 27th Ave to US Hwy 441/301

Availability of Utilities:

electric and phone services are available; water and sewer service via City of Ocala available in some areas of defined neighborhood

Adverse Influences:

predominance of industrial or heavy commercial uses somewhat adverse with respect to residential component of neighborhood

Demographics:

significant residential base in NW Ocala in support of various commercial and industrial uses in the Ocala/Marion County market; in addition to numerous older residential subdivisions

³ Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*).

⁴ Recreational opportunities; public venues; religious establishments; civic and community activities; cultural centers.

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in the area, there is a significant level of rural residential (that is, residences on small to large acreage with accompanying agricultural use); there has been very little development of new residential subdivisions in the subject's immediate area over recent years; however, the former Pine Oaks golf course is planned for redevelopment with blend of single-family, multi-family and commercial uses

Employment:

average to good acknowledging steady improvement in unemployment rate since surge in April/May of 2020 due to the COVID-19 crisis

Proximity to Necessities:

average⁵

As described above, the subject is located in the northwest quadrant of the City of Ocala. This particular area includes a rather unique juxtaposition of a blend of somewhat incompatible land uses. More specifically, while there is a significant amount of older residential subdivisions and residentially compatible uses in the area, the area has also been home to a wide variety of heavy commercial and industrial uses. Retail and general commercial uses are primarily located at the southerly extreme of the area along NW 10th St.

In terms of residential uses, a majority of the existing residential uses represent older, single-family residences which are positioned in the southerly portion of the subject neighborhood. Supporting recreational uses nearby include the Lillian Bryant Park along NW 22nd Ave which includes a splash pad, sports courts, pavilion, playground and walking trail. The former Pine Oaks Golf Course is owned by the city but is closed as of the date of valuation. In fact, as will be discussed later, this property is in the process of redevelopment.

Industrial has been, and continues to be, a prevalent land use in the subject neighborhood. Such uses are generally concentrated along the Martin Luther King corridor, NW 35th St corridor and the westerly portion of NW 21st St in the subject neighborhood. Examples in the immediate area include a contractor's warehouse/storage yard occupied by Ace Construction Solutions, former Mid-State Truss plant now used for a metal carport manufacturer, pallet company, Anderson Columbia Asphalt Plant, Counts Construction (road contractor), Friends Recycling (C&D landfill) and Accessible Storage.

The Friends Recycling center presently includes about 75 AC and has operated for decades in the subject neighborhood and was recently expanded to include a recycling center component to the facility (new 20,000 SF building houses the operation which is accessed via NW 27th Ave). As a result of a significant level of opposition to the expansion of the landfill by the local population, several residences located adjacent west of the landfill were acquired by the City of Ocala in about

⁵ Schools; grocery, clothing and retail shopping; medical community; financial district; government; employment centers.

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2015 (subject property of this analysis represents the assemblage of those parcels). Even more recently, the City of Ocala approved a Developer's Agreement which allows expansion of the facility to the north.

The most significant industrial use in the area includes the Ocala/Marion County Commerce Park on acreage near the US Hwy 27 interchange with I-75. More specifically, the County Commission, Ocala City Council and current owners of the property established a joint private-public partnership to develop a "world class" industrial commerce park. To that end, NW 35th St and NW 31st Ave have been widened to accommodate the increased traffic associated with this project. Additionally, right of way has been acquired for potential future extension of rail spur access while a truck depot may also be developed in the future. This project was touted as a "flagship" park to attract a substantial number of future jobs to the area. Occupants in this relatively new park include Fed Ex, AutoZone, Chewy and Amazon. There is more acreage to the north which may be available for expansion of the commerce park and an eventual new interchange on I-75 at NW 49th Ave will contribute to even greater accessibility for these properties and surrounding acreage. The Pine Oaks Industrial Park and Lee Industrial Park are both located along NW 35th St, to the east of NW 27th Ave. These older parks include a variety of smaller-scale, localized industrial uses.

The majority of retail and other commercial uses in the neighborhood are concentrated along NW 10th St (to the south) and N. Pine Ave (to the E). Public and/or institutional uses are also prevalent throughout the area in the form of public schools (Howard Academy at NW 16th Ave and NW 10th St just south of the subject property and Dr. N. H. Jones Elementary School), numerous existing churches and sites advertised as proposed for eventual church development and public parks (Pine Oaks golf course on NW 21st St just west of the subject and Lillian Bryant Park just southwest of the subject). Industrial uses are somewhat scattered across the neighborhood with concentrations along NW 16th Ave (subject's vicinity) and near the intersection of NW 27th Ave and NW 35th St (in and near the Pine Oaks Industrial Park).

The City of Ocala has been quite active in the subject's immediate neighborhood in an effort to improve the conditions for residential of the immediate area. In that regard, the City of Ocala acquired the 24 AC manufacturing facility formerly occupied by Royal Oak Charcoal. This site suffered from a significant level of site contamination. The City of Ocala is also attempting to acquire additional acreage located along NW 21st St just southeast of the entrance to Pine Oaks. In fact, a 3 AC parcel at the corner of NW 21st St and NW 21st Ave was acquired by the City of Ocala in March of 2021 and an additional 10.95 AC remains available (negotiations, to date, have not resulted in a sale). The area has also historically suffered from criminal activity and poorly maintained property within the nearby Busbee Quarters housing development along Martin Luther King Blvd. However, the City of Ocala has acquired over 20 of the parcels since 2011 and the subdivision has been "re-branded" as Phoenix Heights.

Finally, the former Pine Oaks Golf Course was closed several years ago and is planned for

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redevelopment. In fact, the east nine holes of the Pine Oaks Golf Course (formerly used for disc golf only) has been redeveloped with a Wetland Groundwater Recharge Park. The property includes about 60 AC and will be developed with about 33 AC of wetlands which will be designed to receive 3 to 5 million gallons of treated wastewater per day. This process will assist in the reduction of nutrient loading of Silver Springs and recharge the aquifer. The park will also include two and a half miles of walking trails with kiosks, visitor outlooks, pedestrian rest areas and an education center building. The project will reportedly cost about \$8 million with \$4.3 million in grant funding from FDEP and St. Johns River Water Management District. The balance of the golf course was sold to a local developer and is planned for redevelopment with a mixed use community to include single family residential, multi-family residential and commercial. In fact, the developer has already sold an approximate 22 AC portion along NW 21st St in May of 2021 for \$147,309/AC which is reportedly to be developed with apartments.

Finally, the subject property is an integral part of its defined physical neighborhood, contributing to highest and best use thereof.

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Description and Analysis of Site

The following description is based on data from the public records of Marion County, Florida and my personal inspection of the subject site.

Parcel Size-	9.37 AC (subject to current survey)
Position-	inside location
Shape-	irregular configuration
Exposure-	secluded location
Aesthetic Appeal-	average
Topo/Drainage-	generally level terrain; drainage appears adequate
Flood Zone-	while majority of site is in zone "X" (minimal flooding), there are two relatively small pockets of elevations within zone "A" (special flood hazard area) at S central portion of site; FEMA Map #12083C0508E, effective 4/19/2017
Environmental Analysis-	there was no submission of environmental study provided for the subject property particularly with respect to soil contamination and/or ground water pollution; moreover, there are no known conditions causing adverse impact by the immediate environmental conditions (refer to General Assumptions)
Road Frontage-	subject appears to include about 758 FF on the irregular r/w of NW 28 th St and what would be NW 31 st Ave at NE corner of subject site; minimal frontage at the NLY termination of NW 31 st Ave at S boundary of subject site
Site Access-	access from the N via WLY termination of NW 28 th St (two-lane public right of way) which extends to only an unpaved, single lane road which aligns with NW 31 st Ave and actually extends into the subject site; access from the S via the NLY termination of NW 31 st Ave; NW 31 st Ave, as it extends through the subject property, presumed to include prescriptive rights associated with small residential parcels adjacent to the subject
Road Improvements-	both NW 31 st Ave and NW 28 th St includes two lanes of pavement which terminates at subject property
Easements-	what has been identified as a sub-surface gas transmission line easement extends diagonally through the central portion of the subject site
Adjacent Land Uses-	N= rural residential across NW 28 th St E= Friends Recycling facility S= residential and Friends Recycling facility W= vacant acreage parcels
Adverse Influences-	subject's gas line easement and presumed access easement encumbrances likely impact utility of subject property to some degree; adja-

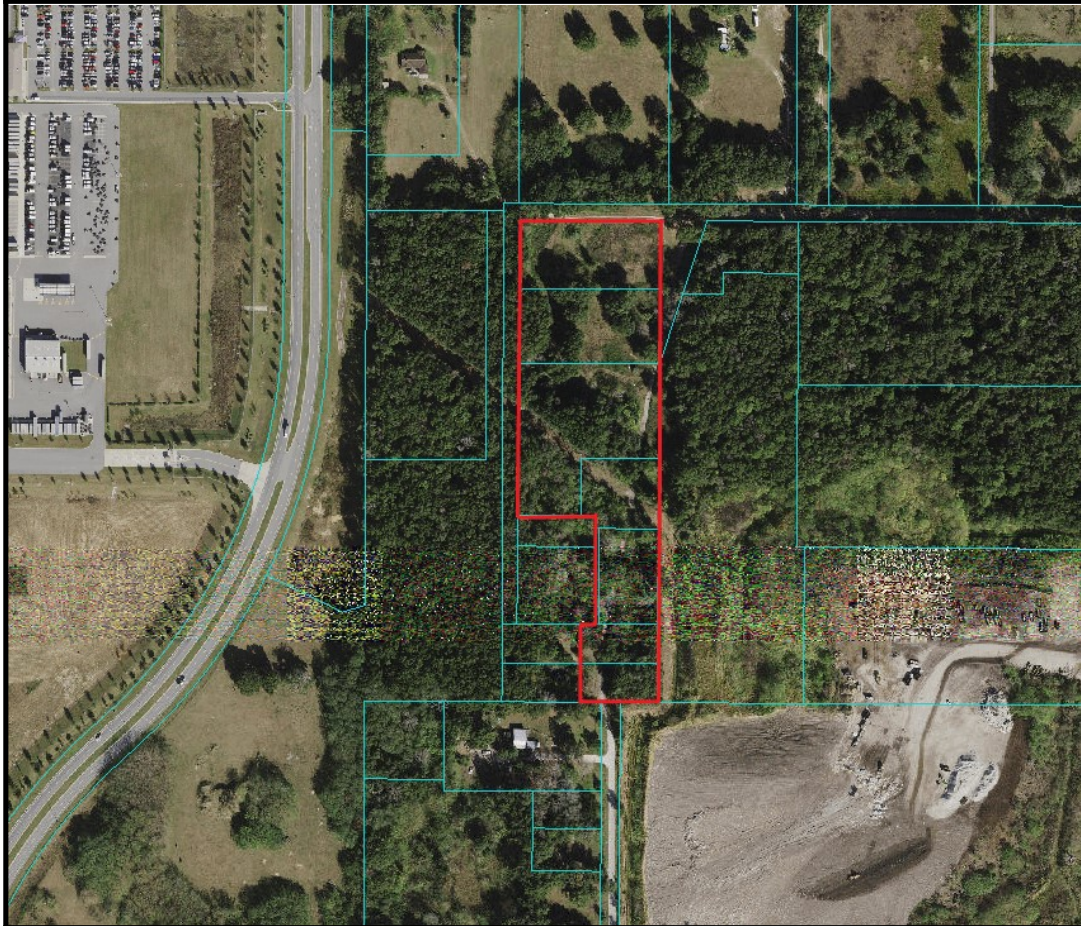
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gency to the landfill and nearby industrial generally adverse with respect to demand for new residential uses

The subject was formerly improved with a variety of residences and related site improvements. However, it appears that all structures and most site improvements have been removed subsequent to acquisition by the current owner of record.

In summary, the existing site represents a physically and functionally effective entity contributing towards ultimate highest and best use.

Aerial Map



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FEMA Flood Map

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, X, AE, AH, VE, AR
	With BFE or Depth Zone AE, AD, AH, VE, AR
OTHER AREAS OF FLOOD HAZARD	Regulatory Floodway
	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes. Zone X
GENERAL STRUCTURES	Area with Flood Risk due to Levee Zone D
	NO SCREEN Area of Minimal Flood Hazard Zone X
OTHER AREAS	Effective LOMRs
	Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance
	Water Surface Elevation
MAP PANELS	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFPL web services provided by FEMA. This map was exported on 8/22/2021 at 9:57 AM and does not reflect changes or amendments subsequent to this date and time. The NFPL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

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Highest and Best Use

As defined in the Appraisal of Real Estate, 14th Edition (published by the Appraisal Institute in 2013), highest and best use is:

"The reasonably probable use of property that results in the highest value."

The following four tests are implicit within the consideration of highest and best use: Physically Possible, Legally Permissible, Financially Feasible, and Maximally Productive. Application of these four categories to the subject property supports my conclusions of highest and best use.

As Vacant

Physically Possible: The subject includes 9.37 AC located in northwest Ocala. The site includes access via both NW 28th St and NW 31st Ave as well as the availability of central water service. The site includes not only partial flood plain encumbrance but also encumbrances by an easement for a sub-surface natural gas line as well as what is assumed to represent prescriptive rights for ingress/egress for adjacent parcels. While the subject's immediate area historically included a predominance of residential and/or agricultural uses, the subject is specifically positioned between the active landfill to the east and some extent of influence from the relatively new industrial park to the west.

Legally Permissible: The subject presently includes entitlements which allows only residential use. As a result of the ongoing use of the adjacent landfill as well as the growth of industrial development in the area, demand for new residential in the immediate area has been quite limited. To that end, uses considered more compatible with this general transition would likely require a zoning change which would most appropriately include either M1 or M2. In fact, it is noted that an acreage parcel immediately west of the subject is being considered for a zoning change from R1 to M1 and is planned for assemblage with lands essentially located within the Ocala Marion County Commerce Park. Considering these adjacent uses, it seems reasonable that a zoning change for the subject property could be attained (see **Extraordinary Assumptions**).

Financially Feasible: The use which would be identified as the financially most feasible is that which generates greatest return (measured by NOI) to land thereby resulting in highest net land value. The most relevant aspect of financial feasibility includes analysis of land value by use. Acknowledging the need for a zoning change as discussed earlier, the previous two tests have essentially eliminated all uses other than some form of industrial use. In that regard, market conditions have continued to improve into the second half of the 2021 for the local industrial market (even through the ongoing COVID-19 crisis). This is evidenced by increasing occupancy, increasing land and improved prices and a considerable level of new construction throughout the market. Cumulatively, the basis of that which is physically possible and legally permissible also evidences

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strength of financial feasibility for use of the subject property, as vacant, for eventual industrial use.

Maximally Productive: While typical market plot coverage of industrial uses from the subject area generally range from about 10% to 15%, the subject site is limited in terms of not only partial flood plain encumbrance but also the gas line easement and likelihood for the need for at least partial ingress/egress accommodations for parcels adjacent to the southerly end of the subject site. Further, the subject's location is somewhat isolated with limited transportation linkage (i.e. NW 28th St representing only a two lane corridor). As such, maximal productivity of the subject site may prove to include assemblage with adjacent property in order to create a more desirable larger parcel. To that end, it was reported that the Friends Recycling facility (adjacent east) may be interested in the subject property for future expansion. Alternatively, the adjacent west acreage is presently being considered for assemblage for industrial use essentially as part of the Ocala Marion County Commerce Park.

Conclusions:

Based upon the relevant criteria, it is my opinion that the four tests of highest and best use of the subject property, as vacant, would include eventual industrial use, acknowledging the subject's potential limitations as a stand alone parcel.

Reasonable Exposure Time

Reasonable exposure time is historically-oriented (**time which lapsed before closing sale/lease**).⁶ The market was researched for exposure times of comparable commercial properties. Based upon this research, I have concluded 6 to 12 months as most reasonable for the subject property.

Valuation Methodology

The three traditional approaches to value of real estate appraisal process are: Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach combines an opinion of land value with value of horizontal and vertical improvements. An opinion of land value is based upon an analysis of comparable sales. Valuation of improvements begins with an opinion of current reproduction or replacement costs from which is deducted the total measure of accrued depreciation for the improvement. This approach is most reliable when improvements are new or newer and suffer little or no measure of depreciation. This approach is based upon the Principle of Substitution which holds that a buyer would likely not pay more for a property than the costs of obtaining an equally desirable substitute site plus the costs new

⁶ "Reasonable Marketing Time" differs from "Reasonable Exposure Time" as it is:

Future-oriented, subsequent to or post-effective valuation date; thus, if introduced, "Reasonable Marketing Time" follows **Reconciliation**.

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of replacing equally desirable and useful improvements thereon, assuming no costly delay in making the substitution.

The Sales Comparison Approach includes the comparison of the subject with similarly located and useful properties that have recently sold to establish a discernible pattern for comparative analysis. Adjustments are necessary to the sales in many instances since no two properties are identical. From the range of (adjusted) sales prices, the indicator of value for the subject property is extracted.

The Income Capitalization Approach is based on the Principle of Anticipation which holds that a purchaser is buying in anticipation of acquiring future net benefits to the property. Value is measured in this approach through capitalization of net income. The rate of capitalization is derived from sources sensitive to market occurrences.

As the subject includes essentially vacant acreage, only the Sales Comparison Approach is applicable and developed herein.

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Sales Comparison Approach

This process represents a “whole-to-whole” valuation methodology which embraces all facets of the subject property, as it is presently improved, as a single economic entity. Again, the following are the steps associated with this process.

1. **Research market for sales which are comparable to the subject property.**
2. **Verify factual data of sales which are concluded comparable to subject.**
3. **Develop appropriate unit of comparison which reflects the basis of sales.**
4. **Compare pertinent criteria of sales with characteristics of the subject.**
5. **Where appropriate, adjust sales for differences of unit value indicators.**
6. **Apply most appropriate unit indicator to derive an indicator of value.**

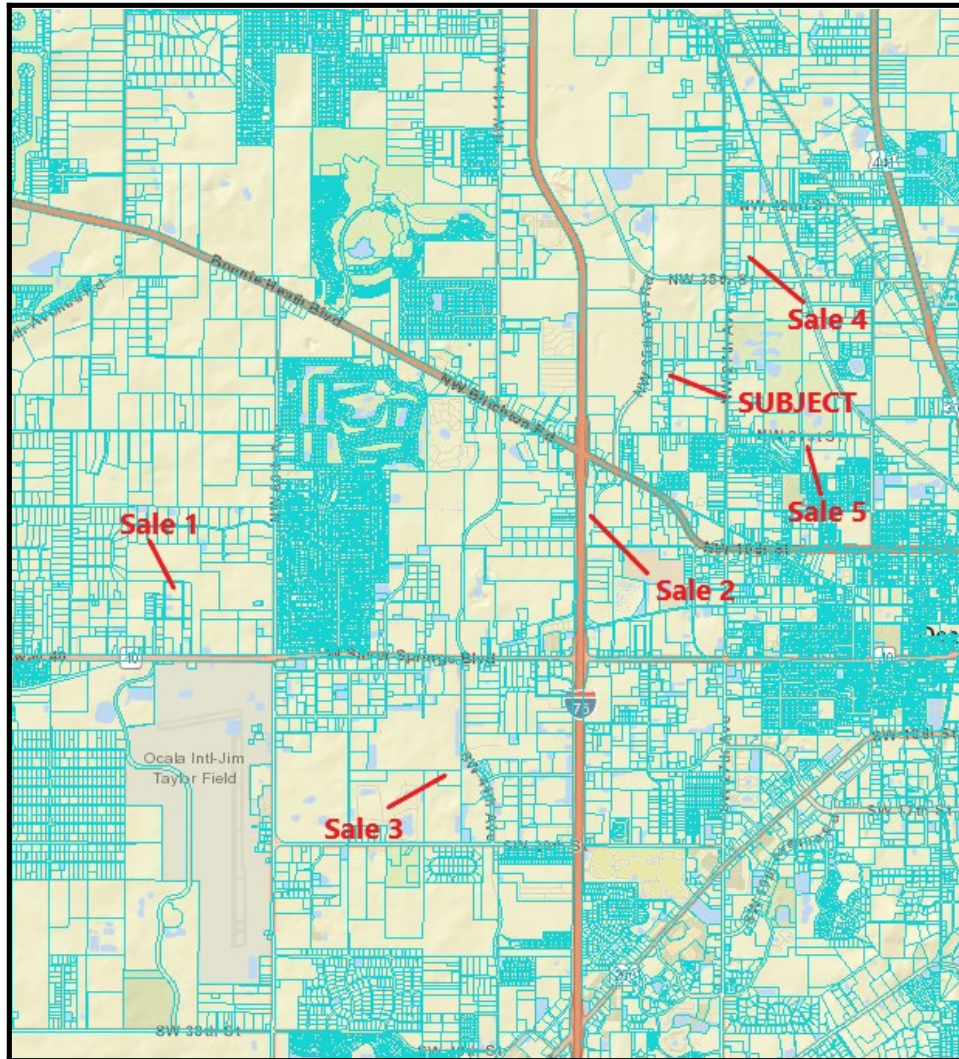
Comparable Sales Data

The following sales represent the best data available for direct comparison with the subject property. The appropriate unit of comparison is the sales price per AC of gross land area.

[COMPARABLE LAND SALES]

Sale	Date	Location	Zoning/Land Use	Size (AC)	\$/AC
1	6/18	NW 3 rd Pl/ West End Ocala	M2/ Commerce District	8.82	\$34,014
2	10/19	NW 37 th Ave/ Algray Properties Acreage	M2/ Employment Center	14.88	\$24,194
3	12/19	Just W of NW 44 th Ave/ Cardinal Glass Expansion	M1/ Employment Center	10.42	\$40,000
4	10/20	NW 35 th St/ Lee Industrial Park	M1/ Employment Center	9.19	\$37,084
5	3/21	NW 21 st St/ City of Ocala Acreage	INST/ Neighborhood	3.00	\$54,450
		Mean:		9.26	\$37,948

Comparable Land Sales Location Map



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Sale 1

Data Sheet

OR Book & Page:	6787/1696 (Marion County)
Grantor:	Hannon Investments LLC
Grantee:	Bartow Land Holdings LLC
Date of Sale:	June 25, 2018
Sale Price:	\$300,000
Unit Price:	\$34,014/AC
Cash Equivalency:	NA
Assessment No.	#23194-006-00
Legal Description:	Lots 11 & 12, West End Ocala
Property Jurisdiction:	Marion County
Land Use/Zoning:	commercial district/M2
Interest Conveyed:	fee simple
Site Area:	8.82 AC
Frontage:	access via unpaved private r/w
Topography/Drainage:	gently rolling terrain/adequate
Natural Landscaping:	cleared crop land
Highest & Best Use:	eventual heavy commercial and/or industrial development
Encumbrances:	none observed
Improvements:	none
Utilities:	appears to require on-site means
Verified With:	public records; MLS #538484
Exposure Time:	not available
3-Yr± Sales History:	none
Comments:	site positioned N of SR 40 but without paved access as of the date of sale; subsequently, the site was developed with a concrete plant (which appears to have required extension of the access road)

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Sale 1

Data Sheet (Cont'd)

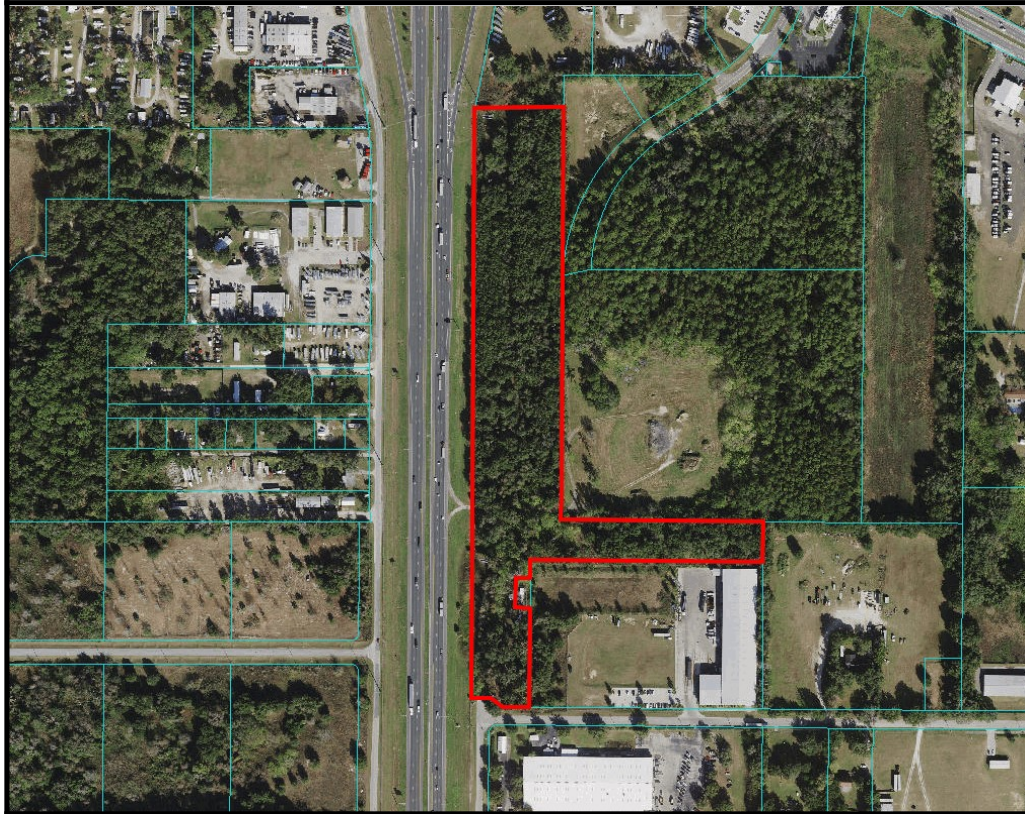


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Sale 2

Data Sheet

OR Book & Page:	7061/0152 (Marion County)
Grantor:	M. L. Carter Services, Inc.
Grantee:	Algray Properties, LLC
Date of Sale:	October 15, 2019
Sale Price:	\$360,000
Unit Price:	\$24,194AC
Cash Equivalency:	cash to seller
Conditions/Motivations:	arm's length/speculative investment
Assessment No.	21818-001-00
Legal Description:	lengthy, in Section 11/15/21, Marion County, Florida
Property Jurisdiction:	City of Ocala
Land Use/Zoning:	employment center/M2
Interest Conveyed:	fee simple
Site Area:	14.88 AC
Frontage:	only upon the E r/w of I-75 (no access)
Topography/Drainage:	generally level terrain/drainage appears adequate
Flood Zone:	current FEMA map indicates mostly zone "X" (minimal flooding)
Natural Landscaping:	mostly wooded
Highest & Best Use:	eventual industrial or potential retail
Encumbrances:	site encumbered by easements for ODA signs (income accrues to a third party) as well as FDOT ingress/egress to access adjacent E borrow pit areas
Improvements:	none
Utilities:	central services nearby
Verified With:	public records; inspection; buyer
Exposure Time:	66 days on market associated with most recent listing prior to sale
3-Yr± Sales History:	none; site listed as of August of 2021 for \$1,850,000
Comments:	while this property lacks legal access at time of sale, the NW 37 th Ave r/w is planned for extension through this site which will afford direct frontage and access; as of August of 2021, there was no specific time table for the planned acquisition of the r/w or the actual construction of the road; however, it was reported that this represents the last parcel required for necessary r/w



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Sale 3

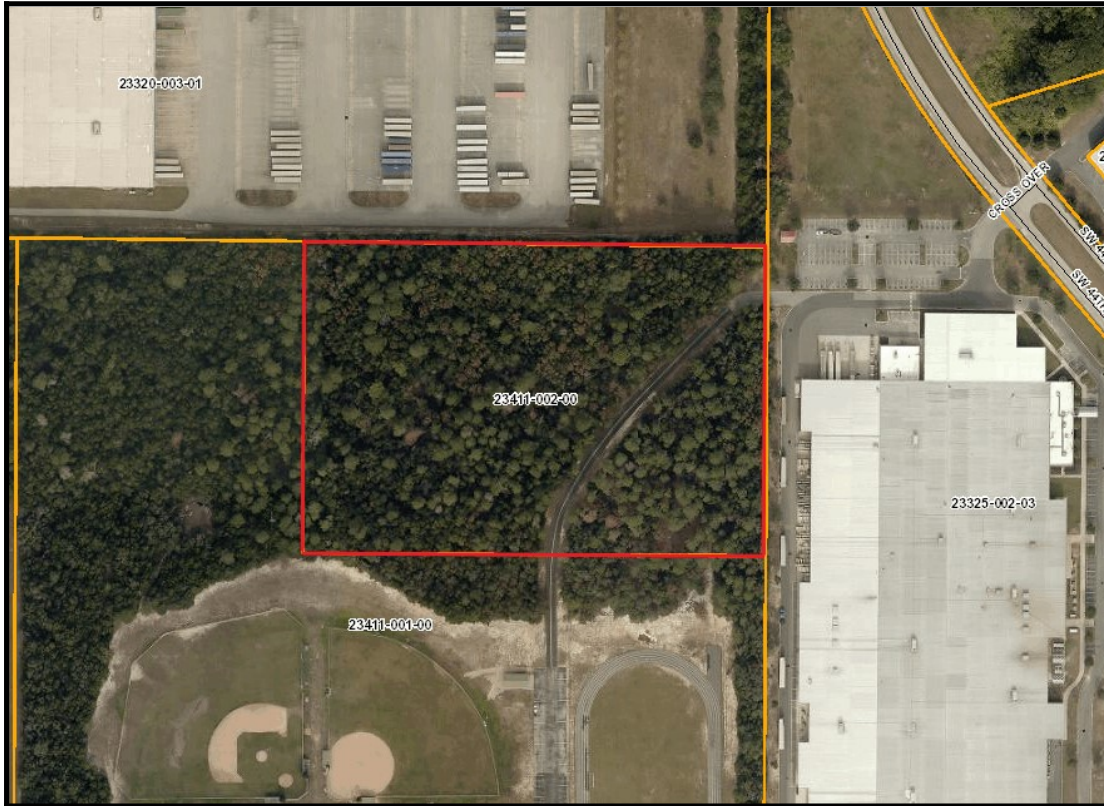
Data Sheet

OR Book & Page:	7096/0506 (Marion County)
Grantor:	Meadowbrook Church, Inc.
Grantee:	Cardinal LG Company
Date of Sale:	December 10, 2019
Sale Price:	\$416,800
Unit Price:	\$40,000
Cash Equivalency:	cash to seller
Conditions/Motivations:	arm's length/expansion of manufacturing facility
Assessment No.	#23411-002-00
Legal Description:	lengthy, in Section 22/15/21, Marion County, Florida
Property Jurisdiction:	City of Ocala
Land Use/Zoning:	employment center/M1
Interest Conveyed:	fee simple
Site Area:	10.42 AC
Frontage:	no direct road frontage
Topography/Drainage:	generally level/appears adequate with no apparent flood plain
Natural Landscaping:	mostly cleared site
Highest & Best Use:	eventual industrial development
Encumbrances:	none adverse
Improvements:	interior private driveway with cul-de-sac
Utilities:	central services available
Verified With:	public records; attorney at sale (Fred Roberts)
Exposure Time:	NA
3-Yr± Sales History:	no sales within the past three years
Comments:	parcel represented rear surplus lands of Meadowbrook Church and purchased for expansion of adjacent manufacturing facility; church was given an easement for ingress/egress but only on Sundays and for no other alternative use; buyer also reserved the right to modify the specific location of the easement access

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Sale 3

Data Sheet (Cont'd)

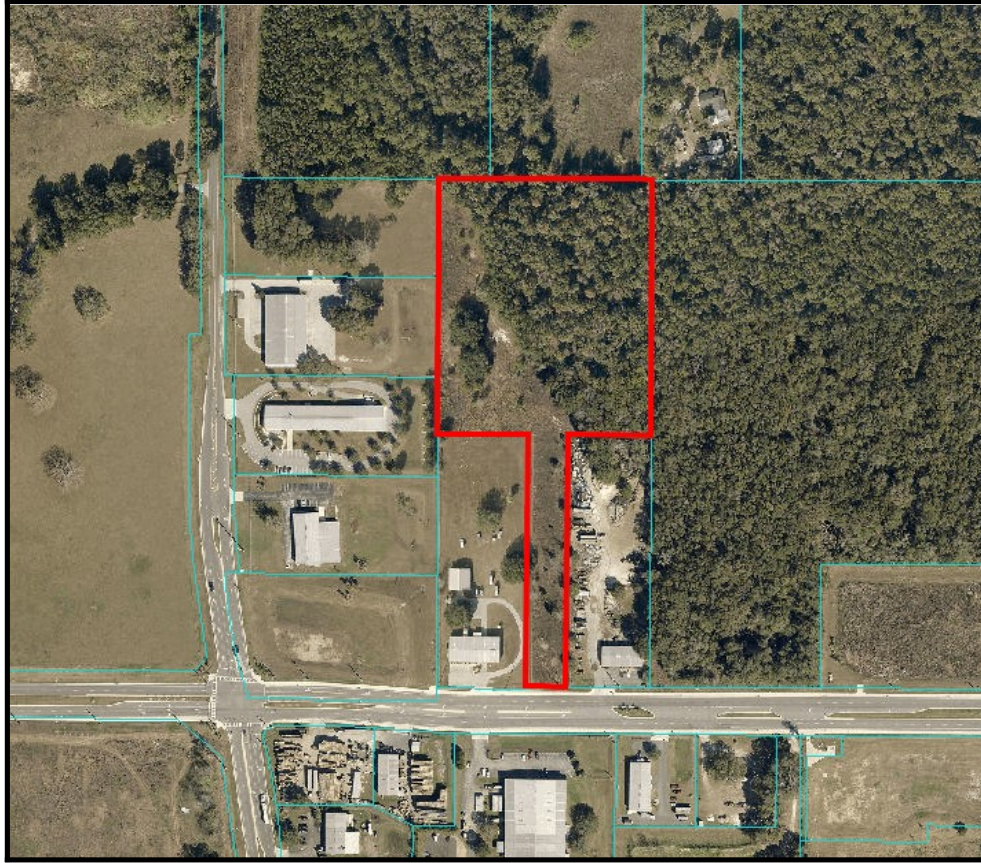


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Sale 4

Data Sheet

OR Book & Page: 7302/1787 (Marion County)
Grantor: Robert Lang Crevelon
Grantee: Douglas R. & Sandra L. Marcum
Date of Sale: October 21, 2020
Sale Price: \$340,800
Unit Price: \$37,084/AC
Cash Equivalency: NA
Assessment No. #13857-006-00
Legal Description: Tracts 6 & 7 and the W 20' of Tract 16 of Lee Industrial Park less right of way
Property Jurisdiction: City of Ocala
Zoning: employment center/M1
Interest Conveyed: fee simple
Site Area: 9.19 AC
Frontage: N r/w of NW 35th St (100 FF)
Topography/Drainage: generally level terrain although about 1.57 AC or 17% of site within 100 year flood plain/generally adequate
Natural Landscaping: blend of cleared pasture and wooded acreage
Highest & Best Use: eventual industrial development
Encumbrances: none observed
Improvements: none
Utilities: city services available
Verified With: public records; MLS #OM557986; Sandon Wiechens
Exposure Time: 449 days on market
3-Yr± Sales History: none
Comments: site purchased by adjacent owner for expansion of business; listing broker confirmed that flag-lot configuration and flood plain encumbrance significantly impacted marketability and price



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Sale 5

Data Sheet

OR Book & Page:	7399/0066; Marion County
Grantor:	The Life Center Church Properties, Inc.
Grantee:	City of Ocala
Date of Sale:	March 2, 2021
Sale Price:	\$163,000
Unit Price:	\$1.25/SF
Cash Equivalency:	cash to seller
Assessment ID:	21943-000-01
Property Jurisdiction:	City of Ocala
Land Use/Zoning:	neighborhood/INST
Interest Conveyed:	fee simple, subject to restrictions of record
Site Area:	3.00 AC
Frontage:	SE corner of NW 21 st St and NW 21 st Ave
Topography/Drainage:	generally level terrain/predominately zone "X" (minimal flooding) while approximate .18 AC at SE extreme of site is indicated to lie within the 100-yr flood plain per available FEMA Maps
Natural Landscaping:	wooded
Highest & Best Use:	eventual multi-family residential (requiring zoning change)
Encumbrances:	none adverse
Improvements:	none
Utilities:	central water and sewer available
Verified With:	public records; inspection; representative of buyer (Joe Switt)
Exposure Time:	not available
3-Yr± Sales History:	NA last three years
Comments:	site was purchased by the City of Ocala; Phase I performed by buyer and revealed no contamination; City of Ocala has actively acquired many parcels in this particular area towards redevelopment and revitalization of the neighborhood; this particular site will potentially tied into the public park system; new mixed use development is proposed for the former Pine Oaks Golf Course property due N across NW 21 st St

Sale 5

Data Sheet (Cont'd)



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Adjustment Process

In terms of the adjustment process, initial considerations are made to interest conveyed, cash equivalency, conditions of sale and market conditions. In addition, the data are analyzed as to location, physical characteristics (i.e. size, configuration/topography) and entitlement.

My review of the available data revealed a lack of discernible support for most of these elements of comparison. That is, there is simply not sufficient data to isolate one variable within a single pairing in order to extract value impact attributable thereto. Where specific quantified adjustments are not available, I have relied upon qualitative analysis.

Interest Conveyed:

Each of the sales included the acquisition of the fee simple interest with no adjustment necessary.

Cash Equivalency:

None of the sales require adjustment for cash equivalency.

Conditions of Sale:

All sales included arm's length transactions and do not require adjustment.

Market Conditions:

Only Sale 5 occurred in 2021 with the balance of sales having occurred from 2018 to 2020. In that regard, upward consideration to Sales 1 through 4 is appropriate acknowledging significant improvement in market conditions from 2018 to present (even through the COVID-19 crisis).

Location:

All sales include locations in northwest Ocala (in fact, four of the five sales include locations within the city limits). Further, the location of all sales is generally conducive towards industrial development. That being said, there is some variance in specific location for many of the sales. More specifically, Sale 1 lacks improved road frontage and is considered inferior. Sale 2 lacks legal access and is also considered inferior despite secondary frontage on I-75. While Sale 3 lacked legal access as a stand-alone parcel, it was sold from an owner with access and to a buyer with access. As such, no adjustment is necessary. Sale 4 includes a generally similar location along NW 35th St. Finally, Sale 5 includes a corner location which is considered superior to the subject.

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Physical Characteristics:

In terms of size, the five sales produce a range from 3 AC to 14.88 AC which brackets the size of the subject. In that regard, only Sale 5 (smallest at only 3 AC) is considered outside a reasonable threshold and downward consideration is appropriate.

The subject includes not only a somewhat irregular shape but also partial flood plain encumbrance and easement encumbrances as described earlier. By comparison, Sale 1 includes a useful site with no flood plain and is superior. Sale 2 includes a highly irregular configuration with easement encumbrances and minor flood plain. Overall it is considered similar. Sale 3 includes a useful configuration with no significant encumbrance beyond limited ingress/egress rights for the seller. As such, it is considered superior. Sale 4 includes an irregular flag lot configuration with significant flood plain encumbrance and is considered similar. Sale 5 includes a rectangular configuration with only minor flood plain and no easements. As such, it is considered superior.

Use (Entitlement):

Like the subject is assumed to be able to achieve (see Extraordinary Assumptions), Sales 1 through 4 all include industrial zoning considered competitive with the subject. Sale 5 includes institutional zoning associated with prior church ownership and will require a zoning change to accommodate future development. In the final analysis, no adjustment is necessary.

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Conclusions:

The following is a summary of the elements of comparison and qualitative analysis thereof.

[Comparable Sales Adjustment Grid]

Element of Comparison	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price (\$/AC)	\$34,014	\$24,194	\$40,000	\$37,084	\$54,450
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing/CE	CE	CE	CE	CE	CE
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adj Price (\$/AC)	\$34,014	\$24,194	\$40,000	\$37,084	\$54,450
Market Conditions	Inferior (+)	Inferior (+)	Inferior (+)	Inferior (+)	Similar
Adj Price (\$/AC)	\$34,014	\$24,194	\$40,000	\$37,084	\$54,450
Location	Inferior (+)	Inferior (+)	Similar	Similar	Superior (-)
Size	Similar	Similar	Similar	Similar	Smaller (-)
Shape/Topo/Easements	Superior (-)	Similar	Superior (-)	Similar	Superior (-)
Entitlement	Similar	Similar	Similar	Similar	Similar
Adj Price (\$/AC)	\$34,014	\$24,194	\$40,000	\$37,084	\$54,450

The five indicators produce a broad range from \$24,194/AC to \$54,450/AC with a mean of \$37,948/AC. Sale 2 represents the extreme lower tendency but is an older sale and lacks legal access. By contrast, Sale 5 represents the extreme upper tendency but includes a superior location, smaller size and superior overall utility. The three remaining sales bracket the central tendency and are considered the most relevant indicators. In the final analysis, based upon the market data researched and presented herein, I have concluded an opinion of value of the subject toward the central tendency of the overall range or:

Indicator of Market Value

\$356,000

[9.37 AC @ \$38,000/AC, Rd; via Sales Comparison Approach]

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Reconciliation

The Sales Comparison Approach forms the basis for valuation herein. In that regard, the valuation benefits from fairly current data from the subject's market area. Based on prevailing economic conditions and weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property of:

Opinion of Market Value

\$356,000

Addendum

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Legal Description

SEC 02 TWP 15 RGE 21

N 208.71 FT OF W 379.54 FT OF E 2243.49 FT OF N ½ OF SE 1/4 EXC N 25 FT FOR RD

AND

BEGIN AT THE NE COR OF THE S 200.85 FT OF THE N 409.56 FT OF THE W 379.54 FT OF THE E 2243.49 FT OF N ½ OF SE 1/4 AND RUN W 379.54 FT TH S 200.85 FT TH E 379.54 FT TH N 200.85 FT TO POB

AND

COM 1863.95 FT W OF NE COR OF SE1/4 OF SE1/4 N 678 FT FOR POB W 210 FT S 153 FT W 169.54 FT N TO PT 409.56 FT S OF N BDY OF SE1/4 E 379.54 FT S TO POB & COM 2033.49 FT W OF NE COR OF SE1/4 OF SE1/4 FOR POB N 210 FOR POB E 9.54 FT N 258 FT W 9.54 FT S 258 FT TO POB

AND

COM 1863.95 FT W & 468 FT N FROM SE COR OF N ½ OF SE 1/4 FOR POB, TH W 210 FT, N 210 FT, E 210 FT, S 210 FT TO POB EXC THOSE LANDS DESC IN OR 927-83 & DEED BK 329-492

AND

COM AT 420 FT N OF SW COR OF W 379.54 FT OF E 2243.49 FT OF N 1/2 OF SE1/4 FOR POB N 105 FT E 210 FT S 105 FT W 210 FT TO POB

AND

COM 1863.95 FT W & 210 FT N FROM THE SE COR OF N ½ OF SE 1/4 OF SEC 2 FOR THE POB TH N 258 FT W 160 FT S 258 FT E 160 FT TO THE POB

AND

N ½ OF THE FOLLOWING DESC PROPERTY: COM 1863.95 FT W OF THE SE COR OF N ½ OF SE 1/4 OF SEC 2 TH N 210 FT TH W 210 FT TH S 210 FT TH E 210 FT TO THE POB

AND

S ½ OF THE FOLLOWING: COM 1863.95 FT W OF THE SE COR OF N ½ OF SE 1/4 OF SEC 2 TH N 210 FT TH W 210 FT TH S 210 FT TH E 210 FT TO THE POB

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Stephen J. Albright, Jr. Curriculum Vitae

Employment

Professional Golf, Tommy Armour and T.C. Jordan Tour (1992-1993)
Marion and St. Johns County School Boards, School Teacher (1993)
Albright & Associates, Ocala, Inc. (1994 to 2002)
Stephen Albright & Associates, Inc. (2002 to present)

Formal Education

University of North Carolina, Chapel Hill, NC; BA, Psychology, 1992

Professional Designations

State-Certified General Real Estate Appraiser, RZ2392
Member, Appraisal Institute, MAI

Professional Organizations/Service

Appraisal Institute, East Florida Chapter (Former Board Member)
Ocala/Marion County Multiple Listing Service

Community Organizations/Service

Ocala/Marion County Chamber of Commerce
First Presbyterian Church of Ocala (Former Elder)
Community College of Central Florida Foundation (Former Board Member)
Silver Springs Rotary Club (Former Board Member)
Ocala Vision 2035 Leadership Group
Mastering the Possibilities (Board of Directors)
First Tee of Greater Ocala (Board of Directors)
Florida State Golf Association (Board of Directors)

Real Estate Appraisal Education (Courses)

Appraisal Principles, Appraisal Institute
Appraisal Procedures, Appraisal Institute
Basic Income Capitalization, Appraisal Institute
Standards of Professional Practice, Part A (USPAP), Appraisal Institute
Standards of Professional Practice, Part B (USPAP), Appraisal Institute
Standards of Professional Practice, Part C (USPAP), Appraisal Institute
General Applications, Appraisal Institute
Florida License, Core Law
Advanced Income Capitalization, Appraisal Institute

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Highest and Best Use & Market Analysis, Appraisal Institute
Advanced Sales Comparison and Cost Approaches
Report Writing and Valuation Analysis
Advanced Applications
Uniform Appraisal Standards for Federal Land Acquisitions
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
Condemnation Appraising: Principles & Applications

Real Estate Appraisal Education (Seminars)

Using Your HP12C Financial Calculator (Appraisal Institute)
The Internet and Appraising (Appraisal Institute)
Uniform Standards of Professional Appraisal Practice (Appraisal Institute)
Small Hotel/Motel Valuation (Appraisal Institute)
Analyzing Operating Expenses (Appraisal Institute)
Appraising From Blueprints and Specifications (Appraisal Institute)
Residential Design & Functional Utility (Appraisal Institute)
Appraisal of Nursing Facilities (Appraisal Institute)
Analyzing Distressed Real Estate (Appraisal Institute)
Feasibility, Market Value, Investment Timing: Option Value (Appraisal Institute)

Specialized Services

[Expert Witness]

5th Circuit- Marion County- Judge Swigert (City of Ocala; “Yard Relief Program”; 1997)
5th Circuit- Marion County- Judge Singbush (City of Ocala; “SW 44th Ave Project”; 2000)
5th Circuit- Marion County- Judge Singbush (William Post; 2002)
5th Circuit- Marion County- Judge Singbush (SE/SW 31st St Project; 2005)
5th Circuit- Marion County- Judge Singbush (SW 20th St Project; 2006)
5th Circuit- Marion County- Judge Singbush (Marion County vs Bahia Honda; 2006)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project; 2007)
5th Circuit- Marion County- Judge Musleh (Marco Polo vs Peterson, et al; 2007)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project Order of Taking; 2007)
5th Circuit- Marion County- Judge Harris (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Edwards-Stephens (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Lambert (CR 200A Project Order of Taking; 2009)
5th Circuit- Marion County- Judge King (SW 95th St Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Lambert (SW 42nd St Flyover Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Eddy (Marion Co vs Morgran Center; Fee Hearing; 2012)
5th Circuit- Marion County- Judge Singbush (NW 35th/49th St Project Order of Taking; 2012)
5th Circuit- Citrus County- Judge Falvey (Community Bank; Deficiency Hearing; 2014)

ALBRIGHT & ASSOCIATES of Ocala, Inc.

5th Circuit- Marion County- Judge Tatti (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Rogers (Murvin & Altogrey, LLC vs Brown; 2014)

5th Circuit- Lake County- Judge Singeltary (M & S Bank; Deficiency Hearing; 2016)

[Arbitration/Mediation Hearings]

Marion County, Florida Ignatius Ciesla v. Bonded Builders Home Warranty (2006)

[Special Magistrate]

Marion County Value Adjustment Board Hearings (2008-2020)

Citrus County Value Adjustment Board Hearings (2010-2014)

[Speaking Engagements]

International Association of Assessing Officers - Florida Chapter

2015 TPP Seminar - VAB Special Master Panel - Lake Mary, Florida